

Message Text

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71

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04 USIA-15

PRS-01 DRC-01 /165 W

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P 091950Z APR 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 3352

UNCLAS CARACAS 03140

E.O. 11652: N/A

TAGS: ERNG, VE

SUBJECT: VENEZUELA REDUCES OIL PRODUCTION

1. MINISTER OF MINES VALENTIN HERNANDEZ ANNOUNCED ON APRIL 5 THAT VENEZUELAN OIL PRODUCTION WILL BE REDUCED FIVE PERCENT EFFECTIVE IMMEDIATELY. IN BARRELS, PRODUCTION WILL CUT BY 150,000 B/D TO A LEVEL OF APPROXIMATELY 3.1 MILLION B/D. THE REDUCTION IS EXPECTED TO AFFECT ALL COMPANIES OPERATING IN THE COUNTRY.

2. STATED REASON FOR ORDERING THE REDUCTION WAS TO CONSERVE NATURAL GAS. AT SAME TIME MINISTER HERNANDEZ REFERRED TO PLANS TO SPEND BS 460 MILLION FOR LNG PLANTS. STUDIES OF THESE PLANTS HAVE BEEN UNDERWAY FOR SEVERAL YEARS.

3. THE MEASURE WAS SUPPORTED BY FORMER MINES MINISTER PEREZ LA SALVIA IN A PRESS INTERVIEW. HE SAID THE MOVE COINCIDES WITH THE END OF THE ARAB BOYCOTT AND BEGINNING OF SUMMER IN THE UNITED STATES, IMPLYING THAT HE REGARDED THE REDUCTION AS MUCH A PRICE MAINTENANCE DEVICE AS A CONSERVATION MEASURE.
FISHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Disposition Approved on Date:
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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